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# AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE BUREAU OF AGRICULTURAL ECONOMICS,  
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## FIRST SESSION OF AMERICAN INSTITUTE OF COOPERATION

A four-weeks practical educational course in cooperation is promised for the coming summer by the recently organized American Institute of Cooperation. This first session of the institute will be held at Philadelphia, in cooperation with the University of Pennsylvania, beginning July 20, and continuing until August 15. The tentative program is so planned that those who can attend for only part of the period will have opportunity to select groups of subjects which will best meet their needs.

The topics for study as outlined are:

First week.--Economic Principles and Legal Structure of Cooperation, including (a) history of cooperation, (b) ideals of the movement, (c) development of types, (d) possibilities and limitations, (e) status of state and federal legislation, (f) education in cooperation.

Second week.--Organization and Membership Problems: (a) preliminary market surveys, (b) forms of organization, (c) organization finance, (d) patronage costs, (e) educational work with members, (f) the cooperative and the community.

Third week.--Operating Methods and Management Problems: (a) source of personnel, (b) business practices, (c) auditing and accounting, (d) marketing finance, (e) warehousing, (f) grading and standardization, (g) methods of pooling.

Fourth week.--Sales Policies and Price Problems: (a) orderly marketing, (b) selling plans for various commodities, (c) development of markets, (d) price objectives of cooperatives, (e) selling problems, (f) credits and collections, (g) effect of to-day's prices on to-morrow's production.

The founders believe that the institute will serve to clarify thought concerning the real goals of cooperative endeavor, and to analyze the experience thus far accumulated; also that it will serve as a training school to develop leaders and workers who can effectively serve the cooperative movement in the future. During the session practical experience and information will be pooled for mutual benefit and the advance of sound cooperation.

Information regarding registration can be secured from the secretary of the institute, 1731 I street, N. W., Washington, D. C.

LOUISIANA FARMERS BUY SEED POTATOES COOPERATIVELY

Sixteen cars of certified Irish seed potatoes have been purchased to date through the Louisiana Farm Bureau Purchasing Department, Baton Rouge, La., for the use of the farmers of the state. This stock is of the Triumph variety and is being shipped from Wisconsin, North Dakota, Wyoming and Minnesota. All stock has been approved by the horticulturist of the university extension station. Certification tags indicate that not more than 5% of mild mosaic or spindled tuber is present. The seed was purchased at what was considered a very advantageous price.

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SKOOKUM PACKERS ORGANIZE SUPPLY COMPANY

An organization known as the Skookum Fruit Growers' Supply Company has recently been incorporated at Wenatchee, Wash., as a subsidiary of the Skookum Packers' Association, Inc. The new company is a capital stock corporation organized on a nonprofit basis, and its primary purpose is to purchase supplies in quantities for the shippers of Skookum brand apples. The Skookum Packers' Association has done a limited amount of purchasing in the past. All purchases of supplies will hereafter be made by the supply company, which is organized on lines practically identical with the Fruit Growers' Supply Company of California, the purchasing company for the California Fruit Growers' Exchange. Twenty local units of the Skookum exchange hold stock in the supply company. The offices of the two organizations will be combined and the packers' association will have an active voice in the affairs of the supply company. Purchases have already been made for shippers by the new company.

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SATISFACTORY PRICES RECEIVED FOR EARLY GRAPEFRUIT

Clayson grapefruit of the Arizona Citrus Growers' Company, Phoenix, Ariz., was handled in two pools, the first of which contained about 85% of the crop, and brought the growers a net return of about \$1.44 per field box. A total of 19,232 field boxes were brought to the packing houses for the first pool. Sales were made in a wide range of markets but the bulk of the fruit went to Los Angeles and San Francisco. This early variety of grapefruit was all harvested before picking of the earliest seedless fruit was begun. It is stated that "The comment on the fruit by the trade was excellent, but, as usual, impatience was shown for the arrival of the Marsh Seedless, and the twenty-seven cars of Clayson seemed to fill the markets to the saturation point." However, "in general the Clayson distribution was eminently satisfactory throughout the country, and the returns to the growers exceptionally high."

Some further returns to the growers will be made when the cost accounts of the packing house have been compiled and the exact amount available for distribution has been determined. This additional return is expected to bring prices on the first pool to \$1.50 per field box.

ORGANIZATION AND OPERATION OF CALIFORNIA FRUIT EXCHANGE

The California Fruit Exchange, Sacramento, Calif., is engaged in handling deciduous fruits, especially grapes. It operates in every section of the state and serves about 6,500 fruit growers. During the 1924 season it marketed 8,485 cars of fruit in 315 markets in the United States, Canada and Cuba, with gross sales of \$14,994,554. Fifty-four per cent of the cars were sold at auction, and 46 per cent at private sale. Due to a short crop the shipments were 2,450 cars fewer than the previous year. However, the gross receipts per car averaged \$1,767, or \$197 more per car than in 1923. The membership consists of about eighty local associations and twenty "grower shippers," this term being used to designate a grower having sufficient tonnage to operate as an association.

Each local unit is incorporated and manages its own local affairs. Each assembles, grades, packs and loads its fruit, which is then turned over to the California Fruit Exchange for distribution and sale. So far as possible, each local attends to its own financing, but the exchange lends money to locals at the current rate of interest when necessary, and also aids by purchasing in quantity box materials and other supplies.

All the local associations are encouraged to build up reserve funds sufficient to give them standing with the banks. Associations which pack the fruit of their members in central packing houses charge for this work the usual rate announced by commercial firms. With careful management they are usually able to perform the service for less than the price charged and a substantial saving is made. It is stated that the associations in the Fresno district saved on packing alone in 1919, \$123,815; in 1920, \$153,799; in 1921, \$174,657; and in 1922, \$163,662. Appreciable savings are often made in loading charges, and such savings go toward paying for packing houses, loading sheds, and other equipment. A number of the local associations have their own supply departments and purchase spraying materials, machinery, and other requirements.

The exchange was organized early in 1901 as the California Fresh Fruit Exchange. That year it shipped 237 cars of fruit which brought a gross price of something more than \$200,000. By 1906 the shipments had increased to 515 cars which sold for \$566,000. As the expanding business required more money and increased facilities, the exchange was reorganized in February of 1907 on a capital stock basis, and the name changed to the present one, the California Fruit Exchange. The principles and policies were unchanged but increased facilities were provided and a substantial business foundation secured. Capital stock to the amount of \$100,000 was authorized, in shares of \$100 each. Of this stock no individual may hold more than two shares, in order to prevent any semblance of control and to keep the stock as evenly distributed as possible.

The affairs of the organization are supervised by a board of seventeen directors, each of whom must be a bonafide fruit grower. The long term contract is not used, and any grower may withdraw at the end of any season if he desires.

According to the plan of financing all growers are charged 7% of the gross delivered price for handling and marketing the fruit. The actual cost of doing business has not exceeded 3% and the difference between the



7% and the actual cost is placed in a "Withholdings Account" which constitutes the working capital of the organization. This capital is re-funded to the growers over a period of five years, approximately one-half being returned during the year immediately following the crop season, and the other half at the expiration of five years. The "Withholdings Account" at present contains \$1,762,122.

The increase of business since 1917 is shown in the following table:

Year	Cars Shipped	Gross Sales	Net Returns	Refunds to Growers	Claims Collected
1917	3,339	\$ 4,504,809	\$ 2,647,699	\$ 135,529	\$ 24,271
1918	4,129	7,234,241	4,403,304	305,155	65,021
1919	5,056	10,127,039	6,302,324	477,059	113,314
1920	5,596	13,473,801	8,666,178	673,690	162,762
1921	6,281	12,680,295	6,952,475	507,211	360,716
1922	8,560	12,935,832	8,280,069	517,433	66,012
1923	10,935	17,173,124	10,629,060	667,688	240,860
1924	8,485	14,994,554	-----	597,096	243,567

A general manager is in charge of the central organization which is divided into a number of departments, each in charge of a department manager. These departments are: sales department, accounting department, traffic department, claims department, supply department, standardization department, and lumber department.

The sales department is represented by salaried agents in more than eighty cities and towns of the United States and Canada.

Practically all the material and equipment for harvesting the crops is purchased and distributed through the supply department. In 1923 this department handled 1,200 car loads of box shook, 70 car loads of baskets, 20 car loads of paper, 12 car loads of nails, 63 car loads of sawdust, and 65 car loads of kegs for packing Emperor grapes. Spray material and general merchandise brought the total for the year to \$2,017,938. By making early contracts at favorable prices the department earned on this business the sum of \$78,511, or practically one-half of one per cent of gross sales. In 1924, 1,189 car loads of material were handled, totaling \$1,687,045, and the profit was \$77,893, or practically three-fourths of one per cent of gross sales.

The lumber department owns approximately 15,000 acres of timber in Plumas and Sierra Counties and operates a sawmill and box factory. During its five years of operation the sawmill has cut 58,177,430 feet of merchantable timber. Earnings during the five-year period have amounted to \$636,243. The department has performed a great service in stabilizing the prices of box shook. The box factory produced 10,528,026 feet of shook in 1923, and is reported as "operating on a satisfactory and profitable basis" although not supplying the entire requirements of the exchange.

CALIFORNIA PEAR GROWERS COMPLETE SEVENTH YEAR

Pear sales by the California Pear Growers' Association, San Francisco, Cal., for 1924 amounted to \$934,463, which was an increase of \$527,270 over the preceding year. The income for the year, which is derived almost entirely from the commission charged for marketing the pears of the members, amounted to \$98,861, and the expenses, including advertising, were \$77,278. The difference between income and expenses, \$21,583, was carried to the reserve funds, swelling these funds to \$143,708, allotted as follows: Advertising reserve, \$75,000; contingent reserve, \$36,781; membership reserve, \$22,195; co-insurance reserve, \$9,731. The total of reserves represents the capital liabilities of the association. This is the capital with which the association begins the new business year.

Figures are available showing the growth of the association since its organization in June of 1918. They are given below:

Year	: Number : of : Members <sup>1/</sup>	: Income <sup>2/</sup>	: Expenses <sup>3/</sup>	: Sales : through : Association
1918	: 325	: \$ 13,294	: \$ 8,193	: \$ 390,108
1919	: 520	: 25,924	: 16,906	: 1,107,288
1920	: 589	: 26,818	: 27,919	: 1,293,802
1921	: 1,048	: 61,393	: 53,900	: -----
1922	: 1,117	: 118,289	: 72,155	: -----
1923	: 1,313	: 93,284	: 84,896	: 407,192
1924	: 1,268	: 98,861	: 77,278	: 934,463

<sup>1/</sup> At close of business year.

<sup>2/</sup> Derived mostly from commissions for handling fruit.

<sup>3/</sup> Including organization expense and advertising.

In his report at the annual meeting of the association, the president said, "The merits of the Bartlett pear can be truthfully and effectively advertised to the eastern housewife for a comparatively small investment. .... New York, without advertising, except in a very small way in 1924, has not increased its percentage of pear consumption, while the advertised cities have averaged about 46% increased consumption."

So far, approximately \$160,000 has been expended by the association in advertising.

At the annual meeting of the association, held in San Francisco on January 20, it was decided to increase the number of directors from 11 to 15, in order that the various producing sections might be better represented.

Fourteen district meetings are being held by the members at which the affairs of the association are being discussed and questions answered by the management.

(See Agricultural Cooperation for March 24, 1924, p. 109)

NEW MARKETING POLICY BY DAIRYMEN'S ASSOCIATION

The Dairymen's League Cooperative Association, New York City, has changed its policy as a marketing institution during the last year. Whereas, formerly it undertook to manufacture the surplus milk in the New York City milk shed into evaporated milk, butter and cheese, it is now engaged almost exclusively in furnishing fluid milk and cream for distribution in New York City, in order to obtain the higher price which is paid for fluid milk.

In 1923, the league put up 1,500,000 cases of evaporated milk besides manufacturing large quantities of butter and cheese. In 1924, but 800,000 cases of evaporated milk were put up and all of these prior to October 1, on which date the league ceased manufacturing this product. Of the 163 plants operated by the league on February 1, 1925, all but two were used for preparing milk for shipment to the city milk trade. These two were making small quantities of cheese.

By eliminating the greater part of its manufacturing activities and becoming an almost strictly fluid milk enterprise, the association has been able to reduce in a little over a year, the number of plant employees from 1,044 to 751 and this despite the fact that on February 1, 1925, the association was operating 41 more plants than on January 1, 1924.

Another economy reported by the association is the elimination of the large sales department for evaporated milk, with its heavy advertising appropriations. In thirteen months the number of employees in the New York office has been reduced from 550 to 350.

In developing the new policy of selling largely to the city milk trade of New York City, the management of the association has in mind the restriction of its membership to those who can best participate in the cooperative enterprise. This is an effort to regulate the quantity of milk handled by the association so that it will not be unduly large compared with the requirements of the city markets, thus adjusting the supply to meet the demand.

It is the belief of the management of the organization that by selling milk for city distribution, a better average price will be obtained, and by reducing operating expenses, a larger part of gross sales can be passed on to the milk producer, thus bettering the economic status of that essential factor in the national welfare.



TURNER CENTRE SYSTEM REPORTS INCREASE IN BUSINESS

Net worth, fixed assets, total income and pounds of butterfat handled, all showed an increase for 1924 as compared with 1923 according to the recently issued annual report of the Turner Centre System, Auburn, Me. This is a farmer owned and controlled organization which supplies Boston and suburbs with milk, cream and ice cream. The increase in net worth was 7.5 per cent; in fixed assets, 3.8 per cent; in total income, 15.8 per cent, and in pounds of butterfat handled, less than 1 per cent.

Receipts for 1924 came from the following sources:

Milk and cream .....	\$3,864,884.22
Ice cream .....	1,551,172.41
Butter .....	575,249.99
Condensed milk .....	60,490.28
Other milk products .....	30,327.79
Eggs .....	66,260.64
Other income .....	30,750.05
Total income .....	<u>6,179,135.38</u>

Expenditures are given as follows:

General expenses <sup>1/</sup> .....	\$ 350,143.39
Operating expenses .....	2,697,302.66
Paid patrons for milk and cream .....	2,302,804.08
Duty on Canadian cream .....	22,833.30
Purchases from outside sources .....	<u>746,097.07</u>
Total expenditures .....	<u>6,119,180.50</u>

<sup>1/</sup> Including dividends amounting to \$118,042.

During the year approximately \$80,000 was used in redeeming Class A common stock and the amount of cooperative common stock outstanding was increased by \$189,879.

The growth of this enterprise since 1913 is indicated by the following figures:

Year	Net worth			Total Income			Butterfat paid for	
	Amount	Index <sup>1/</sup>		Amount	Index <sup>1/</sup>		Pounds	Index <sup>1/</sup>
1913	\$ 239,032	100	:	\$2,056,545	100	:	3,739,417	100
1914	264,119	110	:	2,236,083	108	:	4,248,378	113
1915	403,963	170	:	2,638,104	128	:	4,540,809	121
1916	439,002	184	:	3,057,339	148	:	4,500,363	120
1917	622,234	260	:	3,468,987	168	:	4,061,892	108
1918	650,848	272	:	4,759,814	231	:	4,132,587	110
1919	867,277	363	:	5,605,113	272	:	4,684,213	125
1920	948,128	397	:	6,699,476	325	:	4,229,370	113
1921	1,112,211	465	:	4,755,274	230	:	3,816,315	102
1922	1,588,968	665	:	4,182,202	203	:	3,606,203	96
1923	1,791,138	749	:	5,334,480	259	:	4,117,924	110
1924	1,925,001	805	:	6,179,135	300	:	4,123,692	110

<sup>1/</sup> 1913 = 100

INCREASED BUSINESS REPORTED BY MILK DISTRIBUTING PLANT

An increase of 7% in net sales over the previous year, 9% in amount paid members, and but 6% in expenses, is shown in the annual report of the Berrien County Milk Producers' Association, Benton Harbor, Mich., for the year 1924. This association was formed in 1918 and has a membership of 160. It is engaged in processing milk and cream and in handling milk and its products at wholesale and retail.

Gains in business handled the last three years are shown below:

Year	Net Sales	Paid for Dairy Products		
		To members	To others	Total
1922	\$297,106	\$161,352	\$41,908	\$203,260
1923	376,218	200,175	69,972	270,147
1924	403,500	217,231	70,405	287,636

Classified expenses for the three years were as follows:

Year	Expenses			
	Factory	Selling & Delivery	Administrative	Total
1922	\$34,593	\$35,453	\$14,014	\$84,060
1923	40,625	41,986	16,206	98,817
1924	41,365	46,037	17,464	104,866

In order that the exact progress made since 1922 may be measured, the amounts reported for the years 1923 and 1924 have been put on an index basis using 1922 as 100. The resulting index numbers are given in the following table:

Year	Capital			Net Sales			Paid Members			Expenses	
	Amount	Index		Amount	Index		Amount	Index		Amount	Index
1922	\$11,230	100	:	\$297,106	100	:	\$161,352	100	:	\$84,060	100
1923	13,276	118	:	376,218	127	:	200,175	124	:	98,817	118
1924	33,870	300	:	403,500	136	:	217,231	135	:	104,866	125

1/ 1922 = 100

The percentage distribution of the dollar representing net sales has been worked out for each year by the management. The figures follow:

	1922	1923	1924
Paid Producers	71	72.0	71.2
Factory Expense	12	11.0	10.2
Selling Expense	12	10.5	11.4
Administration Expense	5	4.5	4.3
Bond, Interest, etc.	-	2.0	2.9
Total	100	100.0	100.0

CREAMERY PATRONS RECEIVE BIG CHECKS

Eighty-three of the patrons of the Fergus Cooperative Creamery Association, Fergus Falls, Minn., received over \$1,000 each for cream and milk delivered in 1924. Eight patrons received over \$2,000 each, and one patron over \$4,000. The total amount paid to all patrons for butterfat, milk, poultry and eggs, was \$385,145. Total sales for the year were \$454,400 made up of the following items: Butter, \$391,594; milk, \$26,873; eggs, \$28,549; poultry, \$7,384; During the year, the assets were increased by over \$7,000 and net worth by more than \$27,351.

The figures which indicate the growth of this business enterprise are given in the following table:

Year	: Assets	: Net Worth	: Sales	: Paid to Patrons	: Profit to Surplus
1920	: \$119,954	: \$ 51,187	: \$-----	: \$278,990	: \$-----
1921	: 121,401	: 67,741	: 293,541	: 246,147	: 16,685
1922	: 136,263	: 84,659	: 312,481	: 259,952	: 22,685
1923	: 156,359	: 106,605	: 396,804	: 337,010	: 24,187
1924	: 164,257	: 133,956	: 454,401	: 385,145	: 29,597

Figures are available as to the quantity of butterfat handled for each of the five past years, also the average price per pound paid patrons. This average price for the several years has varied from 41.5 cents in 1922 to 65.1 cents in 1920. The average number of patrons was 485 in 1922, 508 in 1923 and 510 in 1924. While the number of patrons receiving checks in excess of \$1,000 was 15 in 1921, the number was 28 in 1922, 64 in 1923 and 83 in 1924. Patrons have received approximately 84% of the total sales as will be noted below:

Year	: Butterfat Received	: Average Price Paid for Butterfat	: Average Number of Patrons	: Number receiving checks in excess of \$1,000	: Per Cent of Sales paid Patrons
1920	: 428,345 (pounds)	: 65.1	: ---	:	: ---
1921	: 579,144	: 42.2	: ---	: 15	: 83.8
1922	: 625,865	: 41.5	: 485	: 28	: 83.2
1923	: 656,175	: 49.2	: 508	: 64	: 84.9
1924	: 782,966	: 45.2	: 510	: 83	: 84.8

Figures have been compiled showing the number of times which the total capital (assets) has been turned over for each of the last four years. The figures are, 1921, 2.4; 1922, 2.3; 1923, 2.5; 1924, 2.6.



OHIO FARM BUREAU FEDERATION SERVES ITS MEMBERS

Six commodity departments are conducted by the Ohio Farm Bureau Federation, as follows: dairy, fruit and vegetables, grain, livestock, wool, and poultry. The treasurer's report for the year 1924 shows that in that year the income from these departments amounted to \$10,024, and the expenses to \$68,865. There are also six service departments: publicity, transportation, organization, auditing, legislative, and legal. Expenses for these departments were \$150,286, and the income yielded was \$30,808.

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DEFICIT REDUCED BY PACIFIC POULTRY PRODUCERS

Nineteen twenty-four proved to be the most successful year in the history of the Pacific Cooperative Poultry Producers, Portland, Oreg., as shown by the annual report for the calendar year. The association received 100,756 cases of eggs and shipped 53,138 cases, about 105 cars, to eastern and California markets. A large number of cases were carried in temporary storage and later shipped to outside markets. Of the 53,138 cases, 21,333 cases graded extras; 18,658 cases, selects; 3,056 cases, browns and firsts; and 10,091 cases, pullets. The number of cases handled was approximately 26,000 more than for the year 1923, while the expenses were \$5,290 less than in that year. Sales for the year were \$942,496, and were 14.8 times assets.

A two-cent selling charge on more than three million dozen eggs received, amounted to \$60,836. Operating expenses and directors' expenses amounted to \$53,671. At the end of the year the association was able to reduce its corporate deficit by \$7,241, leaving this item at only \$3,593. Total assets on December 31 were \$63,611 and fully paid capital stock \$64,890.

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MICHIGAN FARM BUREAU FURNISHES SALES SERVICE FOR POULTRY PRODUCERS

After functioning one and one-half years as a fruit and vegetable terminal market sales agency, the Farm Bureau Produce Exchange, Detroit, Mich. changed on January 1, 1924, to a sales agency for live poultry, eggs and dressed veal and hogs. While its business record as a fruit and vegetable enterprise was not what was expected by its promoters, it has been fully meeting expectations as a poultry sales agency according to a report covering the year 1924. It has been handling "chickens, ducks, geese, turkeys, guinea fowl, capons, dressed veal, dressed hogs, live and dressed suckling pigs, eggs, domestic rabbits and pigeons." During the year, 6,966 shipments of poultry were received and 2,960 of other products. These products, which had a value in excess of \$360,000, were sold on commission.

On January 1, 1925, the enterprise began functioning as a separate incorporated enterprise under the name of the Farm Bureau Poultry Exchange. The capital stock of the exchange is held in trust by the directors of the Michigan State Farm Bureau, who direct the policy of the exchange.



POULTRY ASSOCIATION REPORTS INCREASED BUSINESS

An increase in business of 20% for 1924 is reported by the Tulare Cooperative Poultry Association, Tulare, Calif. There was an increase of seven in the membership, making the total number of members at the close of the year, 232. Total sales for the year were \$376,963, including receipts from eggs, \$163,929; supplies, \$132,855; and poultry, \$73,031.

The increase in operating expense was in practically the same proportion as the increase in business, and operations were conducted for less than 6%. It is also reported in the annual statement that with the egg prices at about the same level as the preceding year, the association secured for the local eggs nearly one cent per dozen more than in 1923. Certain features of the statistical history of the association are given in the table below:

Year	Membership	Assets	Total Sales	Expense	Dozen Eggs
1917	128	\$-----	\$146,034	\$ 5,313	223,832
1918	148	12,342	229,220	8,290	271,680
1919	171	19,126	280,521	10,700	285,207
1920	185	-----	303,084	13,362	279,757
1921	195	16,195	236,261	13,120	302,414
1922	204	20,491	234,007	13,489	287,277
1923	225	23,286	322,504	17,698	431,135
1924	232	25,422	376,963	21,705	535,035

Index numbers have been worked out using 1917 as 100, to indicate the growth of the enterprise during the years for which data are available. Furthermore, expenses have been determined as a percentage of sales and on the basis of cents per dozen. These figures are given below, also figures indicating the capital turnover:

Year	Index Numbers			Exchange		
	Eggs	Sales	Expense	% of Sales	Cents per dozen	Capital Turnover
1917	100	100	100	3.6	2.37	----
1918	121	157	155	3.6	3.05	18.6
1919	127	192	201	3.8	3.75	14.7
1920	125	208	251	4.4	4.73	----
1921	135	162	247	5.6	4.34	14.6
1922	128	234	254	5.8	4.70	11.4
1923	193	221	333	5.5	4.10	13.8
1924	239	258	403	5.8	4.06	16.1

1/ Includes receipts from eggs, poultry and supplies.

WOOL POOL REPRESENTATIVES ATTEND GRADING SCHOOL

Ten representatives from the cooperative wool pools of Utah attended the wool-grading school conducted recently by the United States Department of Agriculture, at Salt Lake City. These representatives were required, among other things, to grade specimens of wool in conformity with the United States standards.

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FIRST ANNUAL WOOL SHOW TO BE HELD BY CALIFORNIA GROWERS

A new line of work being planned by the California Wool Growers' Association, San Francisco, Calif., is a wool show in conjunction with its annual ram sale, at the University Farm, Davis, Calif., early in June. Prizes will be offered for the best fleeces of fine, medium, and coarse wools from the northern counties, the middle counties, and the southern counties of the state. Fleeces must be submitted by bona fide wool growers and must be from their own flocks. Only spring-shorn fleeces of 12 months' growth or less will be accepted. The show will be under direct supervision of a wool specialist of the college of agriculture.

A recent membership campaign has brought 99 new members into the association.

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SUCCESSFUL YEAR REPORTED BY PACIFIC WOOL GROWERS

The claim is made by the Pacific Cooperative Wool Growers, Portland, Oreg., that in the past four years it has handled wool as cheaply as any other agency rendering a like service. It has returned to the growers approximately \$600,000 more than similar quantities of the same kind of wools sold for in the same territory. Twelve million pounds were handled in the four years. The present membership of the association is 2,800.

Through the cooperation of the Portland banks the association has been able to finance the growers to the extent of \$1 a head before shearing time as well as making advances when the wool is received at the warehouses.

The educational value of the grading of wool and mohair is considered by wool growers and college officials as worth many thousands of dollars to the growers, in that the quality of the wool is being improved and the quantity per animal is being increased.

Wool is warehoused by the association at Portland and San Francisco, the larger stocks being kept at Portland in order to serve the woolen mills. These mills are said to be endorsing the work of the association as it furnishes a source of supply of graded wools as they are required.

Expansion of the association is being carried on in those states where it is cheaper to ship by water through Pacific Coast ports than by rail.

CANADIAN FARMERS OPERATE A BIG BUSINESS ENTERPRISE

Measured by amount of business handled, the United Grain Growers' Ltd., Winnipeg, Canada, is one of the largest farmers' business enterprises in the western world. Its amount of business during the year ending August 31, 1924, according to annual report just received, was in excess of \$87,000,000, made up of the following items: Handling grain, \$79,100,000; handling supplies, \$1,800,000; handling livestock, \$6,500,000. August 31, the company and its subsidiaries had funds in bank and on hand to the amount of \$1,329,582. Their assets were in excess of \$10,000,000. Capital stock reserves and surplus amounted to \$6,511,061. Profit for the year was \$552,443. A dividend of 8% on capital stock, amounting to \$238,176, was declared. Earnings for the year were \$3,291,594; expenses, \$1,837,035; and fixed charges, (interest, taxes, insurance, depreciation, etc.) \$902,126.

The present company represents a consolidation, in 1917, of the Grain Growers' Grain Company, Ltd., which was organized to serve the grain growers of Manitoba, and the Alberta Farmers' Cooperative Elevator Company Ltd., organized to serve the grain producers of Alberta. The activities of the three companies are indicated by the following figures:

Year	Grain Handled	Paid Up Capital	Profit
	(bushels)		
1907 <sup>1/</sup>	2,340,000	\$ 11,795	\$ 790
1908	4,990,541	20,385	30,190
1909	7,648,146	120,703	52,902
1910	16,332,645	292,957	95,663
1911	18,845,305	492,062	69,575
1912	27,775,000	586,472	121,614
1913	29,975,000	645,361	164,332
1914 <sup>2/</sup>	33,694,621	873,043	168,296
1915	23,860,502	1,031,291	255,789
1916	67,695,976	1,374,916	855,288
1917	44,097,885	1,921,071	844,401
1918 <sup>3/</sup>	29,879,672	2,159,763	441,760
1919	22,203,007	2,415,185	148,549
1920	24,503,237	2,608,547	463,675
1921	36,581,371	2,765,685	233,743
1922	31,545,776	2,810,561	118,350 Loss
1923	32,944,668	2,821,305	532,171
1924	47,163,179	2,857,984	552,433

1/ Grain Growers' Grain Co. Ltd., 1906-1913

2/ Grain Growers' Grain Co. Ltd., and Alberta Farmers' Cooperative Elevator Co., Ltd., 1914-1917

3/ United Grain Growers, Ltd., 1918-1924

At the close of the business year, the company was operating 373 elevators, 295 of which it owned. Of the owned elevators, 161 were in Alberta, 79 in Manitoba and 55 in Saskatchewan. It also owned 252 flour warehouses, 191 coal sheds and 7 supply sheds scattered through the three prairie provinces. Furthermore, it owned at Port Arthur, a terminal elevator, including coal and flour warehouses, also warehouses at Winnipeg



and Calgary. These were valued at \$4,000,000. During the last business year, 17 elevators were erected by the company; three elevators destroyed by fire were rebuilt and since August 31, 1924, construction has commenced upon 16 additional elevators. Arrangements have been completed for the purchase from the Manitoba Provincial Government of 43 of the elevators which the company has had under lease. It is said that the consideration was \$365,500 with ten years in which to complete payments, interest on unpaid balance to be at the rate of 5%.

Five subsidiary companies are maintained for the rendering of special services. Two of these are export companies, one a publishing company, one a sawmill company and one a security company.

In operating its livestock department, the company aims to make its charges only sufficient to cover the cost of the service. During the ten months ending with June, 1924, over a quarter of a million of animals were handled. This was a larger number than for any of the four preceding years as will be noted below:

Year	Cars Handled	Animals Handled				Value
		Cattle	Hogs	Sheep		
1919-20	5,654	103,624	58,219	18,605		\$9,552,227
1920-21	6,065	115,681	52,635	24,377		7,823,489
1921-22	5,254	89,224	79,890	17,099		4,733,814
1922-23	6,850	124,783	145,443	16,098		6,428,359
1923-24 <sup>1/</sup>	-----	119,909	177,750	14,143		6,500,000

<sup>1/</sup> Ten months ending June 30.

Over 100,000 cattle were handled in a cattle pool. These animals were graded and sold in uniform lots with the results that better prices were obtained than otherwise would have been the case.

It is stated in the annual report that the company continued its friendly policy toward all organizations designed to benefit the agricultural producer by advancing for organization work, \$5,000 and \$7,000 to the Saskatchewan and Manitoba wheat pools, respectively. The preceding year it had assisted with the organization work of the Alberta wheat pool.

The membership of the company at the close of the business year was 35,671.

The policy of the United Grain Growers regarding other farmers' organizations is set forth in the following paragraph from the last annual report:

Let the two companies (United and Saskatchewan) and the pools get together around the table, approach their task as sensible individuals, and, in the light of what experience and knowledge they have, shape the best course for the farmers of Western Canada in their marketing problems.

(A detailed statement of the activities of the company for the year ending August 31, 1923, will be found in Agricultural Cooperation for February 11, 1924, p. 49, and reports of the Saskatchewan Cooperative Elevator Company Ltd., Regina, Canada, will be found in the issues of December 15, 1924, p. 419, and of January 5, 1925, p. 11.)



FARMERS' ORGANIZATIONS SELL TWELVE MILLION ANIMALS

The twenty-seven farmer-controlled cooperative sales agencies operating in twenty of the terminal livestock markets of the United States handled business amounting to approximately \$235,000,000 in 1924. Over twelve million animals were received and sold or were bought for farmers desiring feeder stock. Savings to growers in connection with the commission charges amounted to approximately one million dollars.

Association	: Began : : Operat- : : ing :	Number : of Cars : Handled :	Number of : Animals : Handled :	Total : Sales :	: Patronage : Dividends
Producers' Coop. Comm. Assn., Buffalo, N. Y.	: 1922 :	: 4,926 :	: 600,598 :	: \$10,019,529 :	: - - - -
Farmers' Union Livestock Comm. Assn., Chicago	: 1922 :	: 7,182 :	: 516,789 :	: 11,159,296 :	: \$34,821
Chicago Producers' Comm. Assn., Chicago, Ill.	: 1922 :	: 17,917 :	: 1,240,226 :	: 27,225,247 :	: 103,461
Producers' Coop. Comm. Assn., Cincinnati	: (Scheduled to begin about February 1, 1925)	:	:	:	:
Producers' Coop. Comm. Assn., Cleveland, Ohio	: 1923 :	: 4,752 :	: 464,200 :	: 7,693,662 :	: 25,000
Farmers' Union Livestock Commission, Denver	: 1919 :	: 2,483 :	: 245,701 :	: 3,218,945 :	: None
Michigan Livestock Exchange, Detroit	: 1922 :	: 5,073 :	: 418,800 :	: 8,000,000 :	: 10,000
Farmers' Livestock Com- mission Co., E. St. Louis	: 1921 :	: 14,701 :	: 1,135,892 :	: 19,625,205 :	: 160,598
Producers' Livestock Comm. Assn., E. St. Louis, Ill.	: 1922 :	: 14,053 :	: 1,036,858 :	: 18,977,387 :	: 58,932
Evansville Prod. Comm. Assn., Evansville, Ind.	: 1923 :	: 1,260 :	: 92,391 :	: 1,492,648 :	: 1,008
Cattle Raisers & Prod. Comm. Co., Fort Worth	: 1922 :	: 4,039 :	: 176,929 :	: 3,599,692 :	: - - - -
Producers' Commission Assn., Indianapolis	: 1922 :	: 12,782 :	: 902,833 :	: 16,864,568 :	: 77,404
Farmers' Union Livestock Comm., Kansas City, Mo.	: 1919 :	: 8,212 :	: 525,031 :	: 11,092,946 :	: 36,909

(Continued on next page.)

Association	: Began : : Operat- : : ing :	Number : of Cars : Handled :	Number of : Animals : Handled :	Total : Sales :	Patronage : Dividends :
United Livestock Shippers Assn., Kansas City, Mo.:	1923	599	33,826	680,199	None
Producers' Commission Assn., Kansas City, <sup>1</sup> / <sub>1</sub> :	1923	5,043	298,258	6,528,645	- - -
Farmers' Union Coop. Stockyards Co., Lexington	Feb. 19, 1924	(Report still to be received.)			
Equity Coop. Livestock Sales Assn., Milwaukee	1922	2,465	166,867	2,416,837	10,500
Producers' Commission Assn., Oklahoma City	1923	499	26,835	524,692	None
Farmers' Union Livestock Commission, Omaha	1917	12,531	748,162	15,261,338	130,000
Peoria Producers' Comm. Assn., Peoria, Ill. <sup>1</sup> / <sub>1</sub> :	1922	2,723	187,884	3,436,074	20,951
Producers' Coop. Comm. Assn., Pittsburgh, Pa.	1923	2,719	306,942	4,766,098	16,168
Farmers' Union Livestock Comm., St. Joseph, Mo.	1917	11,990	792,839	15,033,554	130,248
Central Coop. Commission Assn., St. Paul, Minn.	1921	20,011	1,420,540	25,225,478	90,000
Farmers' Union Livestock Commission, St. Paul	1922	3,773	278,484	4,759,577	15,028
Peoples' Coop. Sales Agency, Inc., St. Paul	1923	1,546	121,179	2,130,303	None
Farmers' Union Livestock Comm., Sioux City, Iowa	1918	9,244	586,367	12,073,923	- - -
Producers' Commission Assn., Sioux City, Iowa	Mar. 15, 1924	2,333	142,330	3,260,216	- - -
Total		172,846	12,466,761	\$235,063,059	\$921,028

1. Including purchases

VIRGINIA WAREHOUSE STATUTE UPHOLD

In the case of Reaves Warehouse Corporation v. Commonwealth, and Motley v. Commonwealth, recently decided by the Supreme Court of Virginia, that court upheld a statute of Virginia which provided that a warehouseman should place the true name of the owner of tobacco upon it when offering it for sale in a public warehouse controlled by him. It appears that in each of the cases the defendants failed to observe this provision of the statute, and hence were prosecuted and convicted. They then appealed. The owner of the tobacco involved in each instance appears to have been a member of the Tobacco Growers' Cooperative Association.

The Supreme Court, in affirming the judgments of the trial court, among other things, said:

If there has been any accepted business rule under which warehousemen justify themselves in thus using fictitious names, and in this way conspiring with contract breakers to deceive and defraud others, the time has come when the state, in the exercise of its police power, should repeal that pernicious rule; and this is one, if not the chief, purpose of the statute.

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NOTICE OF LOSS TO SURETY COMPANIES

In New Amsterdam Casualty Company v. Farmers' Cooperative Union, 2 F. (2d) 214, the Farmers' Cooperative Union brought suit on a bond executed by the Casualty Company wherein it agreed to indemnify the Cooperative Union to the extent of \$5,000 against the loss of any money or other personal property "through the fraud, dishonesty, forgery, theft, embezzlement, misappropriation, or wrongful abstraction" of its general manager. The Cooperative Union dealt extensively in grain and its manager appears to have speculated extensively in grain in the name of the Farmers' Cooperative Union, and losses resulted therefrom. To recover compensation for these losses, suit was instituted. The bond contained a provision reading as follows:

Upon the discovery by the employer of any dishonest act on the part of an employee the employer shall, at the earliest practicable moment, and at all events not later than five days after such discovery, give written notice thereof, addressed to the surety at the office of the general agency at Omaha, Nebraska.

The Farmers' Cooperative Union prevailed in the District Court, but on appeal to the Circuit Court of Appeals, that court reversed the decision of the lower court on the ground that the evidence showed that the Farmers' Cooperative Union did not give the notice required by the provision in the bond quoted above within five days after it had notice of the acts of the employee involved.

L. S. Hulbert



GEORGIA CREDIT CORPORATION TO INCREASE CAPITAL STOCK

Plans are being made by the Georgia Agricultural Credit Corporation, Albany, Ga., to increase its capital stock from \$45,000 to \$100,000, which would make it possible to secure loans for Georgia farmers amounting to \$1,000,000 on approved collateral, through the Federal Intermediate Credit Bank at Columbia, S. C.

At the recent annual meeting of the corporation it was reported that more than \$300,000 was loaned in the first year of business. Loans to farmers were made last year at a rate of 7 per cent while the present rate is 6-1/2 per cent.

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WORK OF CREDIT CORPORATION IN NORTH CAROLINA

Since the organization of the North Carolina Agricultural Credit Corporation, Raleigh, N. C., in January, 1924, more than a million dollars has been loaned to members of cooperative associations to help produce their crops. As a result it is stated that many members now pay cash for purchases and are breaking away from the old "time-price" system.

This year arrangements have been made whereby a member can give two notes to the credit corporation, one in the spring for producing his crop, and another later for harvesting. The credit corporation is now encouraging the organization of local credit groups of members to handle loans in localities where the credit corporation has no agent bank.

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CREDIT CORPORATION FOR STAPLE COTTON GROWERS

An organization known as the Staple Cotton Discount Corporation was formed last year through the efforts of officials of the Staple Cotton Cooperative Association, Greenwood, Miss., to aid in financing the farmers of the Delta. Although certain officials of the cotton association were instrumental in forming the discount corporation, and the two associations have many of the same men as officers, they are separate organizations, one handling the cotton of the growers, and the other supplying credit.

The discount corporation has a paid-in capital and surplus of \$119,009. At present loans to any one individual are limited to 20% of the capital stock. No grower may borrow more than 50% of the average value of the lint cotton produced on his land in the three preceding years. The present interest rate is 6-1/2 per cent per annum, and is charged only for the time the funds are being used. The discount corporation may discount paper with the New Orleans Intermediate Credit Bank to an amount equal to ten times its paid-in capital.

Beginning operations in March, 1924, the corporation has made loans to the amount of \$528,000. The paper of the growers was discounted through seventeen different banking institutions. It is reported that there was not a dollar of loss.



FARMER-LABOR EXCHANGE PROVES HELPFUL

Efforts are being made by the Farmer-Labor Exchange, Chicago, Ill., to aid producers of farm commodities to market more directly to the consumers. This exchange was formed in 1922 to handle strained honey produced by Idaho farmers in the neighborhood of Meridian, Idaho. The honey, which was shipped to Chicago in car loads of five pound pails, by the farmers, was sold direct to the consumers in the city, through cooperative stores and buying clubs organized among the trade unions, teachers in public schools, factories and banks. The exchange is now handling its fifth car load of honey in this manner.

Since starting with honey, the exchange has handled several car loads of potatoes for a Minnesota cooperative, large quantities of eggs and poultry from an Iowa association; a car load of watermelons from Arkansas; two cars of grapefruit, one car of oranges, and lesser quantities of a variety of fruits and vegetables from Farm Labor Unions and cooperative associations.

Plans are under way to develop the exchange into a cooperative wholesale for associations doing business on the Chicago market. At the same time it proposes to serve in a double capacity by also handling union-made merchandise.

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JOBGING ASSOCIATION REPORTS INCREASE IN BUSINESS

A statement from the Farmers' Union Jobbing Association, Kansas City, Mo., shows that 7,832 cars of produce and supplies were handled in 1924, compared with 4,190 cars the preceding year, a marked increase in nearly every line of commodities having occurred. The quantities of commodities passing through the hands of the association for the two years were as follows:

	: 1923	: 1924
	: (Cars)	: (Cars)
Wheat consigned.....	: 2,907	: 3,339
Coarse grain.....	: 184	: 2,333
Hay.....	: 477	: 583
Coal.....	: 273	: 620
Tankage.....	: 67	: 108
Flour and mill feed.....	: 15	: 135
Fruits and vegetables.....	: 65	: 61
C. S. and linseed products.....	: 18	: 381
Salt.....	: 61	: 114
Twine.....	: 123	: 125
Miscellaneous.....	: --	: 33
Total.....	: 4,190	: 7,832

This organization began business in 1914, selling produce and buying supplies for the farmers. It has about 1,250 members and its business in 1921 was reported as \$4,600,000; in 1922, \$4,708,335; and in 1923, \$4,423,636

MINNESOTA WHEAT GROWERS HAVE NEW PERIODICAL

A very recent addition to the group of house organs of cooperative associations, is "The Cooperator," the official publication of the Minnesota Wheat Growers' Association, the first number of which was issued January 15, 1925. The specific purpose of the new paper is to furnish the members of the association with the truth regarding their organization, as well as information as to what is going on in the cooperative world.

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COOPERATION IN THE BRITISH EMPIRE

A new volume from a London press is entitled "Agricultural Cooperation in the British Empire." The introduction is by Sir Horace Plunkett. Part I summarizes "A Survey of Agricultural Cooperation in the British Empire," made under the Horace Plunkett Foundation, and published as a bulletin in 1924. This bulletin was reviewed in Agricultural Cooperation, Nov. 17, 1924, p. 381 and 382. Part II of the book is a report of the Conference on Agricultural Cooperation held at Wembley, July 28-31, 1924, and attended by delegates and members from England, Wales, Ireland, Scotland, Newfoundland, Canada, Australia, New Zealand, South Africa, India, and Malaya. Among the subjects considered at the conference were: The state policy in respect of the organization of agricultural cooperation, cooperative credit, cooperative marketing, the relationship between producers and consumers, federation, juvenile organization, future work.

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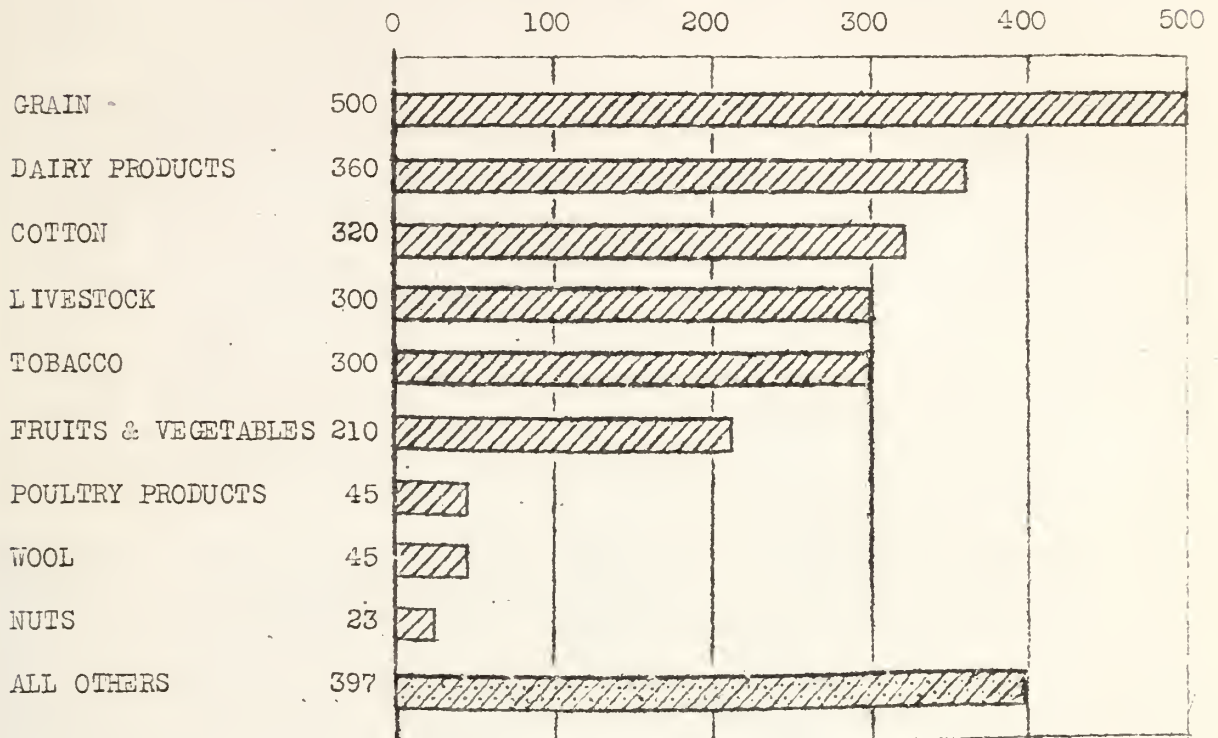
BULGARIA FINANCES LARGE NUMBER OF COOPERATIVES

A statement forwarded by the American Trade Commissioner at Constantinople, Turkey, gives the information that during 1923, 1,020 agricultural cooperatives in Bulgaria were financed by the Agricultural Bank of that country. The membership of these societies was approximately 130,000, and the societies were of the following types and numbers:

Type	: Number of : Societies	: Number of : Members
Farmers' saving and credit assns. (Raffaelsen type).....	905	92,576
Agricultural syndicates.....	36	14,213
Tobacco cooperatives.....	20	10,655
Production cooperatives.....	32	6,236
Consumption cooperatives.....	26	5,806
Central cooperatives.....	2	

MEMBERSHIP OF FARMERS' BUSINESS ORGANIZATIONS

Thousands of Members



Two and one-half million members is the estimate for the ten thousand active farmers' business organizations reporting to the U. S. Department of Agriculture, as of January 1, 1925. Of the total number 500,000 were members of associations engaged in marketing grain; 360,000 were members of associations marketing dairy products; 320,000, associations marketing cotton; 300,000, livestock; 300,000, tobacco; 210,000, fruits and vegetables; 45,000, poultry products; the same number, wool; 23,000, nuts. The associations handling a miscellaneous line of products and performing miscellaneous functions had an estimated membership of 397,000.

More than one-fourth of all the members were in the seven West North Central States, Minnesota, Iowa, Missouri, Kansas, Nebraska, South Dakota, and North Dakota. It is in these states that the grain marketing, livestock shipping, and creamery associations are largely located.

The East North Central States were credited with 444,000 members; the South Atlantic with 329,000; East South Central with 320,000; West South Central, 264,000; Pacific, 164,000; Middle Atlantic, 141,000; Mountain, 66,000; and the New England States with 55,000.

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